

Hawai'i District Office Lenders Quarterly

U.S. Small Business Administration
Hawai'i District Office

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In this issue:

Community Express	Page 1
"Waialua/Haleiwa Outreach"	
504 Loan Program	Page 2
"An Upgrade Boost to Uptown Chevron"	
504 Debenture Rates	Page 3
Loan Activity	Page 4
Lending Officer of the Year	Page 5

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Community Express

Community Express continues to be a valuable tool in providing assistance to small businesses as well as providing a higher guaranty to the participating lender. The program focuses on women-owned businesses, veteran-owned businesses, ethnic minority-owned businesses and businesses located in low- and moderate-income areas and HUBZones. As of May 2005, an estimated 63 loans were processed through the Community Express loan program from total 7(a) guaranty loan activity of 257 loans.

Participating lenders include Innovative Bank (Oakland, California), Central Pacific Bank, Bank of Hawai'i, and Business Loan Express (Panama City Beach, Florida). To assist this niche market, a technical assistance component is designed into the program to help increase the loan applicant's chances of business success. The approved technical assistance providers list continues to grow. An online brochure on Community Express can be procured at:

http://www.sba.gov/hi/Community_Express_6-29-05.pdf.



The District Office continues to aggressively market the loan program through outreach efforts in the community. In June, the District's marketing and outreach team conducted a community walk in Hale'iwa and workshop in Waialua, both designated as low and moderate income areas. The team canvassed Hale'iwa with Bank of Hawai'i Hale'iwa Branch Manager Shelly Soderman and Business Banking Officer Manly Kanoa III. Technical assistance provider Christine Regal of Sugar Mill Incubator also joined the community walk and our efforts resulted in several Community Express prospects. This event was a prelude to a Community Express workshop conducted by Rex and Christine Regal of Sugar Mill Incubator with Bank of Hawai'i and Central Pacific Bank as participating lenders.

The Sugar Mill workshop conducted on June 28 was well attended and included a broad spectrum of entrepreneurs. Attendees ranged from a business that publishes an ocean life style magazine, a kukui nut oil manufacturer, an Internet retailer to representatives from the Waialua farmer's cooperative. This program serves as a viable financing alternative in this rural area.

Sugar Mill Incubator



Far left-Rex Regal and far right-Christine Regal



Left- Manly Kanoa III and above- Naomi Masuno

The following is the total Community Express activity by lender and technical assistance provider as of May 31, 2005.

Lender	Hawai'i Women's Business Center	Small Business Development Center-Oahu	Small Business Development Center-Kauai	Small Business Development Center-Maui	Small Business Development Center-Big Island	Pacific Gateway Center	Hawai'i Center for Entrepreneurship		Total
Innovative Bank	7	3	5	1	3	14		1	34
Central Pacific Bank	1	10				1	1	2	15
Business Loan Express	4	7						1	12
Bank of Hawai'i		2							2
									63

The 504 Loan Program



Scott Sakakihara and Alvin Makimoto

An Upgrade Boost to Uptown Chevron

Uptown Service is getting a boost with upclass services for their existing and new customers. Soon to be completed is a state-of-the-art 1,000 sq.ft. car wash, upgraded 2,798 sq.ft. convenience store and renovated fueling area.

The expansion and improvement effort began seven months after January 2004 when Alvin Makimoto completed the purchase of 2085 Main Street, Wailuku from Chevron USA Inc. through a funding partnership by Central Pacific Bank and Lōkahi Pacific Rural Development Inc. using the SBA 504 loan program. Alvin Makimoto, a second generation business owner, now owns the fee interest in the land and improvements of Uptown Chevron which his father, Frank Namio Makimoto, started in 1953. Alvin noted that "now it's worth it" to make the investment and commitment to modernize and improve the station.

Through the tenacity of Alvin Makimoto and the support of Scott Sakakihara of Central Pacific Bank and Craig Swift of Lōkahi Pacific Rural Development Inc., the vision is becoming a reality.

The family business began in 1953 when Frank Namio Makimoto borrowed from relatives to purchase the service station from Standard Oil. At that time it had 3 gas pumps and two repair bays and was located at Main and High Streets. The business relocated to Main and Church when the State of Hawai'i needed the existing site for an office building. Based on the hard-earned goodwill and reputation of Uptown Chevron, Standard Oil built the new structures to the specifications of Frank Makimoto. The improvements included a repair building with five bays, office and storage space, along with six gasoline pumps. The facility provided complete automotive services in the heart of busy Wailuku.

During 1968-1989, Frank Makimoto used his seasoned entrepreneurial acumen and expanded the business into Uptown Service U-Drive and Uptown Service Towing. The U-Drive business consisted of over 20 vehicles catering mainly to Canadian visitors and the towing fleet consisted to 3 vehicles with different configurations. Clearly, the ability to take risks and diversify the business by taking on challenges -- "head on" -- runs in the Makimoto family.

The torch and future opportunities were passed to Alvin Makimoto in 1992. With the support of the SBA 504 loan program, Alvin Makimoto's vision and challenges continue into the 21st century. The completed vision and construction for Uptown Service Inc. are targeted for July 2005. Best wishes Alvin!

The Certified Development Company Program, often referred to as the "504 Program," is a joint federal government/private sector program that offers eligible small businesses financing for equipment (with an economic life of ten or more years), real property acquisition, building construction, expansion and renovation. The program allows private sector lenders to meet the long-term credit needs of eligible small businesses by participating in project financing with the local Certified Development Company. The CDC provides subordinated second mortgage financing in the form of SBA guaranteed debentures at fixed interest rates for either 10-year or 20-year terms.

HEDCO LDC has been a licensed Certified Development Company since September 1981 and Lōkahi Pacific Rural Development Inc. since February 2003. Both organizations are nonprofit corporations set up to contribute to the economic development of the community and offer their services statewide. "Effective Rates" on debentures can be found at www.nadco.org or please call David Perkins, HEDCO LDC at (808) 521-6502 or Craig Swift, Lōkahi Pacific Rural Development Inc. at (808) 242-5761 ext. 24.

504 Twenty Year Debenture Rates Continue to be Reasonable



David Perkins, President HEDCO LDC

	20 year Debenture Full Term Rates
June 2005	5.863%
May 2005	6.132%
April 2005	6.403%
March 2005	6.244%
February 2005	5.919%
January 2005	6.152%
December 2004	6.164%
November 2004	6.301%
October 2004	6.280%
September 2004	6.411%
August 2004	6.589%
July 2004	6.610%
June 2004	6.941%
May 2004	6.599%
April 2004	6.190%
March 2004	5.760%
February 2004	6.138%



Jo Ann Ridao, Lokahi Pacific Rural Development Inc.

Activity as of May 31, 2005

HEDCO LDC	Oahu	Maui	Guam		Total
First Hawaiian Bank	5	1	1		7
Bank of Hawai'i	2		1		3
Central Pacific Bank	3				3
American Savings Bank	1	2			3
					1
Subtotal					16
Lokahi Pacific Rural Development Inc.					
First Hawaiian Bank		1			1
Grand Total					17

Loan Activity, FY 2005
Nine Months Ended 6/30/05

<u>Bank</u>	<u>No. of Loans</u>	<u>Loan Amount(000's)</u>	
		<u>Gross</u>	<u>SBA</u>
Bank of Hawaii	88	6227.3	3233.6
Central Pacific Bank	58	3733.6	2383.1
First Hawaiian Bank	38	3876.7	2408.5
American Savings Bank	35	4700.0	3773.8
Citizens Security Bank	14	1937.9	1259.2
Center Bank	3	1200.0	877.5
Hawaii National Bank	4	952.5	665.5
Bank of Guam	3	356.4	276.9
Comerica Bank	2	2198.0	1648.5
Capital One	1	50.0	25.0
Bank Pacific, Ltd.	1	35.0	29.8
Sub-total	247	25267.4	16581.4
Innovative Bank	35	216.0	183.6
Business Loan Center LLC	12	273.0	232.1
Adjustment	2	327.6	-55.4
Microloan	8	58.0	58.0
Total 7(a) Loans	304	26142.0	16999.7
HEDCO 504 Loans	21	13589.0	13589.0
Lokahi Pacific 504 Loans	1	126.0	126.0
Grand Total	326	39857.0	30714.7

NUMBER OF LOANS BY COUNTY & GUAM

	<u>Oahu</u>	<u>Hawaii</u>	<u>Maui</u>	<u>Kauai</u>	<u>Guam</u>	<u>Samoa</u>	<u>Total</u>
Bank of Hawaii	28	14	10	3	30	3	88
Central Pacific Bank	48	5	5				58
First Hawaiian Bank	24	3	5	4	2		38
American Savings Bank	26	1	8				35
Citizens Security Bank					14		14
Center Bank	3						3
Hawaii National Bank	3	1					4
Bank of Guam					3		3
Comerica Bank			2				2
Capital One	1						1
Bank Pacific, Ltd.					1		1
Sub-total	133	24	30	7	50	3	247
Innovative Bank	25	4	1	5			35
Business Loan Center LLC	11	1					12
Adjustment							2
Microloan	8						8
Total 7(a) Loans	177	29	31	12	50	3	304
HEDCO 504 Loans	13		5		3		21
Lokahi Pacific 504 Loans			1				1
Grand Total	190	29	37	12	53	3	326

Lending Officer Contest as of 9 months June 30, 2005

Lending Officer	Bank	Branch	# Loans	Pts. =		Bonus Points		Total =
				# Loans X 2				Pts. + Bonus Pts.
Oahu								
Masuno, Naomi	CPB	Kaimuki	26	52	16	2		70
Nakagawa, Raymond	ASB	Main	19	38	6	3		47
Dickinson, John	ASB	Main	16	32	3	2		37
Pai, Lawrence	CPB	Main	11	22	3	2		27
Olanolan, Beulah	BOH	Pearlridge	4	8	1	2		11
Honda, Lori	BOH	Waiakamilo	1	2		1		3
Pak, Chong	CPB	Main	3	6	1	1		8
Smith, Angie	FHB	Kaneohe Bay	3	6	2			8
Goo, Alvin	FHB	Hawaii Kai	2	4		2		6
Jean, Jay	BOH	Ala Moana	2	4	2			6
Lee, Martha	FHB	University	2	4		2		6
Wong, Irvin	FHB	Kalihi	2	4		2		6
Cha, Dina	BOH	Waiialae/Kahala	2	4	1			5
Kaneko, Steven	BOH	Waiialae/Kahala	2	4	1			5
Kihe, Demaney	FHB	Kaneohe	2	4		1		5
Nguyen, Dan	CPB	Kalihi	2	4		1		5
Au, Randy	BOH	Waipahu	2	4				4
Kursosawa, Scott	CPB	Main	2	4				4
Matsuura, Kevin	CPB	Main	2	4				4
Mendonsa, Gareth	FHB	Moanalua	2	4				4
Nakama, Gail	FHB	Main	2	4				4
Ng, Eddy	CPB	Main	2	4				4
Sorenson, In Ge	BOH	Waiialae/Kahala	2	4				4
Uyeda, Dean	HNB	Maikiki	2	4				4
Ventura, Jeff	FHB	Ward	2	4				4
Doi, Norman	FHB	Pearlridge	1	2	1			3
Knosp, Joan	BOH	Kailua	1	2	1			3
Koyanagi, Jason	BOH	Metro	1	2	1			3
Lloyd, Lori	BOH	Kailua	1	2	1			3
Racadio, Mel	BOH	Ala Moana	1	2		1		3
Sadanaga, Karl	BOH	Waipahu	1	2		1		3
Comes, Steve	FHB	Makiki	1	2				2
Chang, Keith	FHB	King/Liliha	1	2				2
Fujinaka, Keene	BOH	Pearlridge	1	2				2
Iwana, Iris	FHB	Main	1	2				2
Lim, Stephen	FHB	Kailua	1	2				2
Lum, Robert	BOH	Main	1	2				2
Nishijima, May	FHB	Kaneohe Bay	1	2				2
Kaaliali, Mitch	FHB	Manoa	1	2				2
Son, Trong	FHB	Main	1	2				2
Tsuhako, Suzanne	BOH	Pearlridge	1	2				2
Oshiro, Jarrett	HNB		1	2				2
Utsugi, Susan	CPB	Ward	1	2				2
Wong, Alison	BOH	Waikiki	1	2				2
Total			136					
Kauai								
Mayfield, James	BOH	Lihue	3	6	1	1		8
Kahawai, Leland	FHB	Lihue	2	4				4
Canute, Thomas	FHB	Koloa	1	2	1			3
Sandrowski, Jennifer	BOH	Kukui Grove	1	2				2
Total			7		0			0

<i>Maui</i>								
Wilhelm, Nicole	BOH	Kihei	5	10	1			11
Matsumoto, Pat	CPB	Kahului	5	10				10
Feliciano, Lolita	BOH	Kahului	1	2	1			3
Duque, Dean	FHB	Kahului	4	8	1			9
De Sousa, Miguel	BOH	Lahaina	2	4				4
Santander, Alvin	BOH	Wailuku	1	2				2
Peterson, Bard	FHB	Kahului	1	2				2
Total			19					
<i>East Hawaii</i>								
Uyetake, Roxann	BOH	Kaiko'o	4	8				8
Kang, Calvin	CPB	Hilo	3	6	1			7
Stroh, Marcella	CPB	Hilo	1	2				2
Kouchi, Don	FHB	Kamehameha	1	2				2
Matsunaga, Melvin	HNB	Hilo	1	2				2
Dykstra, Beth	BOH	Hilo	1	2				2
Total			11	0				0
<i>West Hawaii</i>								
Potter, Emily	BOH	Kamuela	3	6	2			8
Binney, Jocelyn	BOH	Kailua-Kona	3	6	1			7
Erskine, Chuck	FHB	Kamuela	2	4				4
Jackson, Azikiwe	BOH	Kailua-Kona	2	4				4
Dermengian, Christie	BOH	Kailua-Kona	1	2	1			3
Total			11					

